

**AMENDMENT TO
INTERIM ENERGY PURCHASE AGREEMENT**

This AMENDMENT TO INTERIM ENERGY PURCHASE AGREEMENT (the "Amendment") is made and entered into as of the date set forth below, by and between the DEPARTMENT OF WATER RESOURCES with respect to its responsibilities pursuant to California Water Code Section 80000 *et seq.* regarding the Department of Water Resources Electric Power Fund separate and apart from its powers and responsibilities with respect to the State Water Resources Development System (the "Department") and the Seller set forth on the signature page below (the "Seller").

WITNESSETH:

WHEREAS, the Department and the Seller have entered into an Interim Energy Purchase Agreement (the "Agreement"), dated December 31, 2002; and

WHEREAS, the Department and the Seller wish to made certain changes to the Agreement to reflect the fact that the Contract Allocation Date is expected to occur on February 27, 2003; and

WHEREAS, all other terms and provisions of the Agreement shall remain the same,

NOW, THEREFORE, in consideration of the foregoing, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined in the Amendment shall have the meanings set forth in the Agreement.

Section 2. Amendment of Section 2.07. Section 2.07 of the Agreement is hereby amended to read as follows:

"Section 2.07. Automatic Termination. In addition to any other termination rights herein, and notwithstanding any other provision of this Agreement to the contrary, this Agreement shall automatically terminate at 12.01 AM on March 1, 2003 in the event the Contract Allocation Date does not occur on or before February 27, 2003 without recourse by one Party for any damages or other costs against the other Party.

Section 3. Amendment of Purchase Price. The Purchase Price as set forth in Appendix A of the Agreement is hereby amended to read as follows:

“Purchase Price: \$65.00 / MWh “

Section 4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof.

Section 5. Amendment. Neither this Amendment nor any provision hereof may be amended, waived, discharged or terminated except by an instrument in writing signed by the Department and the Seller.

Section 6. Counterparts. This Amendment may be executed in any number of counterparts, and upon execution by the parties, each executed counterpart shall have the same force and effect as an original instrument and as if the parties had signed the same instrument. Any signature page of this Amendment may be detached from any counterpart of this Amendment without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Amendment identical in form hereto but having attached to it one or more signature pages.

Section 7. Severability. In the event that any of the terms, covenants or conditions of this Amendment, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court, regulatory agency, or other regulatory body having jurisdiction, all other terms, covenants or conditions of this Amendment and their application shall not be affected thereby, but shall remain in force and effect unless a court, regulatory agency, or other regulatory body holds that the provisions are not separable from all other provisions of this Amendment.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representative as of the 31st day of January, 2003.

DEPARTMENT OF WATER RESOURCES

with respect to the Department of Water Resources Electric Power Fund separate and apart from its powers and responsibilities with respect to the State Water Resources Development System

By: _____
Name:
Title:

[SELLER]

By: _____
Name:
Title: